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U.S. DEPARTMENT OF AGRICULTURE
Production and Marketing Admin.
821 Market Street, Room 609
San Francisco, California
Information Service
1956 Western Area

YOUR FAMILY'S FOOD (Weekly Script No. 136)

November 13, 1946

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Approx. Time 15 minutes

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(Time all scripts in advance. Suggest you make any changes desirable to fit script to local picture. News releases from this office, also PMA Summary are good sources of additional material.)

SUBJECT: November Crop Report

Broadening Farm Markets

PARTICIPANTS: Announcer
PNA

## BANGING OF GAVEL

AMITOURCER:

Your Family's Food! This is YOUR Program, brought to you by the United States Department of Agriculture....YOUR program to keep you up to date on the many factors that influence YOUR food supply.

And the man who has the answers to your questions...and mine...
is your Production and Marketing Administration representative,
Mr. \_\_\_\_\_\_ And now, \_\_\_\_\_ what's the news on the

agricultural front today?

PMA:

Some pretty big news--and pretty good, too. It seems that our preditictions of a record harvest have now been virtually realized. The American farmer has chalked up so many all-time records that it will take some time to list them.

ANNOUNCER:

We've had pretty good weather for this harvest, haven't we?

PMA:

Yes, indeed, these crops have been harvested under mostly

favorable -- sometimes almost ideal conditions.

AMMOUNCER:

Well, what are some of the crops reaching an all-time high?

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PMA:

As we forecast earlier, the corn crop has set a new record.

When farmers in the north finish harvesting their crop—which is a larger proportion of the whole corn crop than usual—we expect to have some 3 billion, 381 million bushels. This exceeds the banner 1944 crop by 177 million bushels.

ALIMOUNCER:

How about wheat? Seems to me I heard that was expected to be a bumper crop.

PMA:

And it is...and to sum up the whole grain situation, from present indications, the production of eight grain crops will reach a grand total of 165 million tons—the largest on record.

ALTLICR:

Rye isn't included in the record grain crops, is it? I understood production was low this year.

PMA:

The rye crop is below average—and so is the broomcorn, the dry bean and pecan crop. The crop showing the biggest slump, however, is cotton. Except for 1921, production of cotton and cottonseed this year is the lowest since 1895.

AULICE:

That will mean a smaller supply of cottonseed oil, I suppose.

PMA:

Yes...and as a group, the oil crops are still below last year's mark.

ANTICR:

Well, how about America's fruit and vegetable basket....how is that doing?

PMA:

It's almost filled to overflowing. During October, harvest of the largest tonnage of deciduous fruits ever recorded was practically completed in all commercial areas. The production of 9 principal deciduous fruits topped 10 million tons—19 percent above last year.

AUTHOR:

What are some of these fruits?

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PMA: This total includes record crops of peaches, pears and plums, and near-record crops of grapes, cherries and apricots. Just to take one of these-grapes—out of a national total of 2 million 850 thousand tons, the western grape-growing states of Washington, Oregon and California produced 93 percent of the total —

AMMCR: Any other record fruits?

PMA: Not of this kind...the apple and prune crops are about average—although the apple crop is 75 percent above last year's low production. Out of the national total of 121 million 500 thousand bushels, the western apple-growing areas have produced 44 million 700 thousand bushels.

ANNCR: Guess that takes care of the deciduous fruits...do you have any dope on the citrus situation?

PMA: I have...and it's cheerful news, too. Indications are that we'll have a record citrus crop when harvests this fall and winter—and next summer—are over. This citrus crop is expected to be 13 percent above last year's record.

ANTICR: It'll take a little while then to make that record.

PMA: Yes, citrus supplies are not any too abundant here in the west, right now, but they are expected to pick up soon. Before we go on to report the vegetable crops, I might mention that the production of tree nuts has reached 151 thousand tons—14 percent above average—although 11 percent below the records set in the past two seasons.

AUMCR: Well, we'll have plenty of nuts to choose from this holiday season.

But now, let's hear about the vegetables.



PMA: In general, the truck crop for 1946 will set a new record. The production of 11 important vegetables for commercial processing approaches the 1942 all-time high—and the potato crop....

ANNICR: Yes, I know about the potato crop.... That's a record, all right!

PMA: It is, indeed, you can't dismiss 478 million bushels of potatoes with a wave of the hand.

AMMICR: How did we happen to get so many potatoes, anyway?

PMA: Well, the answer lies in improved methods of agriculture which have increased the yield per acre. When growers make more efficient use of irrigation and fertilizers, and also use newly developed insecticides, they are almost certain to produce more potatoes per acre.

AMMCR: That would hold true for other crops as well, wouldn't it?

PMA: Yes, it does. This year, yields per acre reached new heights for corn, and tobacco—in addition to potatoes. And we've had better than average yields per acre for most crops.

ANNICR: All in all, it looks as though we would have more than enough food to be thankful for this Thanksgiving. And that is good news...it's good for the farmer's income, too, isn't it?

PMA: Well, for this year—and possibly next—yes. But if you remember, in discussing our exports last week, I pointed out that they will be considerably less in 1947, and will continue to dwindle as other countries develop their own food resources.

AWICR: So that lets out foreign nations as a dependable extra market for our farm products.

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And so this problems of broadening the farm products market — and thus maintaining a better farm income level, is occupying the attention of many of our agricultural experts.

ANNICR: You mean broadening just the <u>domestic</u> market, is that it?

PMA: That's right—the civilian domestic market is the one under scrutiny since in normal times it absorbs all but a very small percent of the total output from our farms.

ALLICR: Can you explain a little bit \_\_\_\_\_ just what is involved in this problem of broadening the farm products market?

PHA: Well, no doubt a book could be written on the subject—especially when you take into account the fact that the farmer's income is tied up with the rest of the national economy.

ANTOR: You mean you can't have a healthy agricultural situation without a healthy industrial activity?

PMA: That's one of the basic economic factors involved, yes. Our society is composed of mutually dependent parts. For instance, there are only three factors which determine the cash income of farmers from marketing their products in the domestic civilian market.

ALTHOR: And they are?

PMA: The total amount in money that consumers have to spend; the proportion of this total that consumers spend at retail for agricultural commodities and the total of marketing charges to be deducted from these retail expenditures.

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ANNICR: Well, in regard to the first factor, I can naturally see where the amount of money people have to spend influences the amount of food they buy. No housewife can buy food if she hasn't the money.

PMA: Right...and cash receipts from farm marketings and incomes of city workers have paralleled each other to a remarkable degree.

ANTICR: Than I should think that the way to increase farm incomes would be to raise the general incomes of the consumers.

PMA: We'll get to that in a minute. But now, let's consider this second factor which determines farm cash incomes—the proportion of their total money that consumers spend for farm products.

How...this proportion has remained pretty stable over a number of years....

AMMICR: Through depression and boom times, as well? Through low incomes and high?

PMA: Yes, the fluctuation has been very small during the last few years when records were kept. The highest percentage spent for food in any year since 1929 was 27 percent in 1930. The lowest was 21 percent for each of the 5 years beginning with 1940. Since 1935 when we began to emerge from the worst of the depression, the percentage has fluctuated in the narrow range between 21 and 23.

ANNUCR: It seems odd that percentage of consumer income spent for farm products should change so little when economic conditions have varied so greatly during these years.

PMA: Well, you see \_\_\_\_\_ the consumer wants food—but he also wants other things—houses, automobiles, washing machines. So if something happens to reduce his income, he will cut down his spending on all items rather than give up one of them. And if the consumer's income is increased, he tends to distribute the increase among his various

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PMA: (Cont.) expense items in such a way that the <u>percentage</u> he spends for food is relatively fixed.

ANNOR: Well; then, it doesn't look as though the farm products market could be broadened by getting consumers to spend a bigger part of their money for food.

PMA: Not at first glance. However, if developments in marketing—such as new kinds of food, better quality, technological developments, promotional campaigns, etc. — <u>did</u> effect any change in consumer spending, it would have to be only a very <u>small</u> change in order to give farmers a considerable increase in income.

ANTICR: I don't think I understand.

PMA: Here's an example of what I mean. If the consumer income were 150 billion dollars, and 21 percent of it were spent for food, an increase to 21 and a half percent would amount to about three-quarters of a billion dollars. And this would represent about a 7 and one half percent increase in the cash income that farmers received from the sale of farm food products.

MINICR: That would be quite a-difference.

PMA: An increase of even one-tenth of 1 percent in the percentage of consumer income spent for food would affect the cash farm income to a substantial degree.

ANTICR: Well, that might be one possible way of broadening farm markets, then. But what about this third factor you mentioned as determining the farmer's cash incomes from market sales?

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PMA: Oh yes...marketing charges. The consumer, you see, spends his money for food at retail. What the farmer gets is this total expenditure less the total marketing charges by middlemen—or all those persons involved in getting produce from the farm to the consumer. This, I'm sure is a familiar problem. A check of marketing figures kept since 1913 show that the farmer, on the average, receives somewhat less than half of the consumer's food dollar. However, many persons do not realize that despite the great economic changes which have occurred—particularly since 1933—marketing charges have remained fairly stable.

ALLICR: Did they change less than the farmer's income?

PMA: Yes, marketing charges have fluctuated less than the retail cost of food—and less than the amount the farmer received for the food.

In other words, when prices of farm products drop suddenly in depression years, it is not because the middlemen's charges have changed.

ANNOR: Isn't there any way to reduce marketing costs and give the farmer a greater percentage of the consumer's dollar?

PMA: The very fact that they have remained stable under such varying economic conditions shows that any reduction or change would be a difficult task. But of these three factors we have discussed which determine the farmer's cash income, the easiest to change would be the amount of money consumers have to spend.

ANNICR: That would be rather difficult, too, wouldn't it?

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 Probably. But action to accomplish such a result still has greater possibilities than has action to influence either the percentage of income spent for food or the percentage of retail food expenditures skinmed off by marketing agencies. To reiterate what we said earlier—the farmer's interest in the maintenance of a high level of industrial employment and production is not merely academic. It is as real and direct as that of bankers, businessmen, and people in general.

ATMOCR: And I'd say that's a pretty good thought for us all. Our thanks to you, \_\_\_\_\_\_, for some of the answers to questions in the minds of the Great American Family. Friends, that was your Production and Marketing Administration representative, \_\_\_\_\_. YOUR FAMILY'S FOOD will be presented again next week at this same time. This broadcast, a public service feature over station \_\_\_\_\_\_, is presented for farm and city listeners in \_\_\_\_\_\_, Your announcer has been \_\_\_\_\_\_.

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